

Improving Public Transportation Management

Ternopil, Ukraine

Background

Because of lack of access to spare parts and capital repair services, public transportation service in the City of Ternopil (population 205,000) had drastically deteriorated since independence. The principal means of urban transport is electric buses. By November 1994, the operating fleet was less than 50 percent of that in 1989. Waiting times were long, and buses were so overcrowded that fare collection was impossible to enforce. More than 30 percent of passengers rode for free legally, but an estimated additional 25 percent of riders were failing to purchase tickets. In 1994, revenue from fares covered less than 16 percent of operating costs, and the subsidy required from the city budget exceeded US\$1 million. The city developed a comprehensive program to augment deficient city services; reduce municipal subsidies for transportation and work toward a self-sustaining system; establish a long-term plan for maintaining the bus fleet and adding to it as needed; and create economies of scale by cooperating with other cities on transportation purchases.

Innovation

The multi-faceted program to improve public transportation service started by providing a modest fund (\$182,000) for spare parts and capital repairs to restore the public transportation fleet. Inspectors were added to all buses to monitor ticket purchases; and tickets, which were previously only available at kiosks, were made available on buses. The program also assessed the public transportation service system and developed a plan for improvement. Bus company management and city officials addressed the wide range of technical and management issues required to make both short- and long-term improvements in public transportation, while at the same time reducing the subsidies from the city budget.

Results

At a ribbon-cutting ceremony in November 1995, 15 repaired and refurbished buses were officially added to the fleet, thereby increasing passenger capacity by almost 40 percent. By June 1996, the operating fleet reached 68, with an availability ratio exceeding 75 percent. Fare revenue now covers about 60 percent of total costs, including a substantial fund for operating costs and fleet improvement. Illegal free riding has been reduced to less than 5 percent. Additional revenue from advertising and from rental of commercial space at bus stops is small, but increasing. The operating subsidy from the city budget has been reduced by almost 50 percent to about \$500,000 for 1996. Focus group interviews indicate that the public no longer considers public transportation as a major municipal service problem. Continuing innovations are expected, such as private supplementary mini and midi motorized buses, contracting for services, and cooperative joint purchases of parts with other cities.

Summary

The City of Ternopil developed a comprehensive program to improve its public transportation service. As a result, the number of buses in service has increased, and the operating subsidy from the city budget has been reduced by almost 50 percent.

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